GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1363
ANSWERED ON:09.02.2017
Functioning of NTC
Rajbhar Shri Hari Narayan

Will the Minister of TEXTILES be pleased to state:

(a) whether the functioning of National Textile Corporation (NTC) is not only unsatisfactory but also obstructive in achieving the objectives for which it was set up;

(b) if so, the details thereof;

(c) whether NTC is deviating from its objectives due to which its showroom are suffering losses and are closed down and if so, the details thereof; and

(d) the steps being taken by the Government to streamline the functioning of NTC and to ensure its credibility in achieving the objectives set for its functioning?

Answer

MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a) & (b): No, Madam. National Textile Corporation Limited (NTC) was established in 1968 primarily to manage the affairs of sick textile undertakings taken over by the Government of India with a view to serving the interests of the general public by augmenting the production and distribution of different varieties of cloth and yarn at fair prices. On account of losses due to obsolete technology, excess manpower, poor productivity, etc., 8 of its 9 subsidiaries were referred to Board for Industrial and Financial Reconstruction (BIFR). Under the BIFR approved scheme, the unviable mills were closed and 21 mills have been modernized. Thereafter NTC's productivity has improved. NTC has also been discharged by BIFR on 28.10.2014 after its net worth turned positive.

(c): NTC has been selling Suiting, Shirting and other textile related products through its 92 showrooms. These showrooms have registered a cumulative gross profit of Rs. 33 Lakhs (Approx.) in 2016-17 (upto December, 2016). NTC had to close down some of the showrooms operating in rented premises in compliance of Hon'ble Courts directions, in favour of the owners.

(d): In order to streamline the functioning of NTC, the company is upgrading technology in the operating mills with the association of Northern India Technical Research Association (NITRA) and formulating plan for modernization, consolidation, expansion and diversification. The company has prepared a Sales Policy, Standard Operating Procedures, etc. and has been working continuously according to an action plan to improve its profitability to meet the objectives set for its functioning.
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